

## Version 5 of HB 462

- Terms in Subsection 1 of Section 1 are not defined. What is an expense related to an elected official's position?
  - Can constituency funds be used to buy a car or office furnishings, or hire staff? Pay expenses for constituents when they visit Helena? Distribute information through mailings, radio or television during a campaign?
  - The Commissioner's office will be left to define through the formal complaint process – this can be costly and contentious. If decisions are appealed, a final determination could take years.
- Terms are inconsistent between sections 1 and 2: Section 1 refers to "a person holding a public office" – a term that includes city and county elected officials and school district trustees. Section 2 refers only to legislators and statewide offices.
- The amendment to Subsection 3 of Section 1 does not appear to deal with the underlying public policy issue -- how does dumping surplus "event" funds into a constituency account eliminate public concerns about elected officials and slush funds? Are fundraisers legitimate events for funding a constituent services account?
  - Consider requiring that surplus funds have to be donated to charity within 45 days.
- Subsection 4 of Section 1 leaves issues unresolved. Applying prohibitions in the campaign finance laws to constituency accounts is incomplete and open to abuse.
  - 13-37-216 sets limits on contributions for "each election." So, for example, can a PAC donate \$130 to your constituent services account, or \$260?
  - 13-35-226(4), MCA prohibits a public employee from using public resources to solicit donations to a campaign accounts. 13-35-228, MCA prohibits a corporation from raising employee salaries as reimbursement for making a "donation" to a campaign account. If campaign finance limitations are the guide, shouldn't these limits be included here?
- Subsection 5 in Section 1 ambiguously defines what must be reported. (The "source" of all money in a constituency account must be reported and expenditures must be "enumerated.")
  - This terminology lacks the precise definition applied to campaign contributions and expenditures in 13-37-229 and 230, MCA. A complete name, home address, occupation, and business address of each person making a donation to or receiving an expenditure from a constituency account is necessary to accomplish full disclosure.

Annual reporting of constituency account donations and expenditures is not full or timely disclosure.

It would be helpful if legislation clarifies that a public official may only hold a campaign account and a constituent services account as defined in law – that no other accounts are permissible.

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Commissioner of Political Practices